

**OFFICE OF THE LT. GOVERNOR  
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**Sue Ellspermann  
LT. GOVERNOR**

**For Immediate Release**  
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**Lt. Governor Sue Ellspermann Announces  
Blight Elimination Program Awards  
for Allen and Hamilton Counties**

*Two applicants awarded \$2.9 million in second  
round of funding to address blighted homes*

Indianapolis – Lt. Governor Sue Ellspermann today announced that two Indiana municipalities received Hardest Hit Fund Blight Elimination Program (BEP) awards in a second round of funding. The combined awards total approximately \$2.9 million to help eliminate blighted and abandoned homes in those communities through BEP. The city of Fort Wayne and the town of Arcadia are the successful applicants in this round of funding.

The Blight Elimination Program provides an opportunity for local units of government in all 92 Indiana counties to compete for funding to eliminate blighted, vacant and abandoned homes in an effort to decrease foreclosures. The program has made a total of \$75 million available for blight elimination.

“The Blight Elimination Program is allowing communities throughout Indiana to address long-standing problems with blighted and abandoned homes,” said Lieutenant Governor Sue Ellspermann. “This second round of funding provides an even larger impact, providing communities with an opportunity to obtain and remove structures that would otherwise continue to negatively impact neighborhoods.”

Fort Wayne was awarded an additional \$2.8 million to acquire, demolish and facilitate an end use of 122 blighted residential structures. Fort Wayne believes that the use of BEP funds for acquisition and demolition of blighted and abandoned residential structures in the designated areas will help prevent avoidable foreclosures, spur investment and growth, complementing Fort Wayne’s existing community development plans.

The Town of Arcadia was awarded \$18,000 to acquire, demolish and facilitate an end use of one blighted residential structure located in Arcadia. With the blighted structure located on Main Street, town officials believe that demolishing the property will promote a healthy environment and community morale.

“Cities across Indiana have been struggling with the damaging effects caused by vacant and blighted properties and will soon see the benefits of these federal funds,” said Sarah Bloom Raskin, Treasury Deputy Secretary. “Removing blighted properties is important in the fight to reduce foreclosures and we look forward to continuing our partnership with the State of Indiana to help stabilize hardest hit communities.”

Division Two, which consists of Allen, Hamilton and St. Joseph counties, boasts 100 percent participation. In the first round of Division Two funding, \$6.3 million was awarded; Allen County received \$4.7 million for 193 properties and St. Joseph County received \$1.5 million for 64 properties.

The Blight Elimination Program funds will be drawn from the \$221.7 million Hardest Hit Fund money allocated to Indiana. In February 2014, the U.S. Department of the Treasury (Treasury) approved the use of \$75 million of Indiana’s Hardest Hit Funds by Indiana Housing and Community Development Authority (IHCDA) for successful BEP applicants. The partnership between IHCDA and Treasury allows IHCDA to provide funding to local units of government to eliminate blighted properties in an effort to prevent foreclosures and offer a variety of end uses for the newly cleared parcels, such as green space or redevelopment. The Blight Elimination Program is not a grant program. The program is a loan program that allows IHCDA to make funding available to successful applicants. The loans will then be restructured as forgivable loans using Hardest Hit Funds.

The State of Indiana has been divided into six funding divisions. Any local unit of government wishing to apply for funds to eliminate blighted homes must do so to IHCDA by their division deadline. Applicants will apply for funds from the funding division in which their county is located. All application deadlines for divisions one, two and three have passed.

IHCDA estimates that approximately 4,000 blighted and/or abandoned homes in Indiana will be eliminated through the Blight Elimination Program. Interested local government officials should visit [www.877GetHope.org/blight](http://www.877GetHope.org/blight) to learn more and apply.

## **Background**

Blighted, vacant and abandoned homes are a serious issue for Indiana homeowners, neighborhoods and communities. Sadly, the State of Indiana has the dubious distinction of having the highest percentage of abandoned foreclosed homes in the country. RealtyTrac and 24/7 Wall Street have reported that roughly 30 percent of Indiana’s foreclosed homes are abandoned. Many of these properties quickly fall into a state of blight and attract undesirable or unlawful activity, thereby negatively impacting Indiana homeowners and neighborhoods by reducing property values and draining local government resources. Many Indiana communities simply lack the resources necessary to combat this growing problem alone.

The U.S. Department of the Treasury established the Housing Finance Agency Innovation Fund for the Hardest-Hit Markets (Hardest Hit Fund) to provide financial assistance to families in the states most impacted by the downturn of the housing market. The U.S. Department of the Treasury designed the overall program to give each participating state the flexibility to tailor its program to the unique factors contributing to its state’s foreclosure problems. Eighteen states and

the District of Columbia administer Hardest Hit Fund assistance to qualified homeowners struggling to make their mortgage payments.

Since IHCD's announcement that it was exploring the use of Hardest Hit Funds to eliminate blighted and abandoned properties, many have expressed concern that doing so might detract from the mission of helping struggling homeowners avoid foreclosure. IHCD reassures the public that blight elimination is simply one more instrument in the foreclosure prevention tool kit. As of October 31, approximately 4,300 homeowners have received an estimated \$52 million in Hardest Hit Fund mortgage payment assistance. For more information on Indiana's Hardest Hit Fund, visit [www.877GetHope.org](http://www.877GetHope.org).

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**About The Indiana Housing and Community Development Authority:** The Indiana Housing and Community Development Authority (IHCD), chaired by Lt. Governor Ellspermann, provides housing opportunities, promotes self-sufficiency and strengthens communities in order to build an Indiana with a sustainable quality of life for all Hoosiers in the community of their choice. For more information, visit [www.ihcd.in.gov](http://www.ihcd.in.gov) or [www.in.gov/myihcd](http://www.in.gov/myihcd).

*The Lieutenant Governor manages the following agencies of State government: Office of Defense Development, Office of Community and Rural Affairs, Indiana State Department of Agriculture, Indiana Office of Tourism Development, Office of Small Business and Entrepreneurship and the Indiana Housing and Community Development Authority.*

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